



General Assembly

February Session, 2000

Raised Bill No. 5522

LCO No. 1585

Referred to Committee on Select Committee on Housing

Introduced by:
(HSG)

An Act Concerning The Historic Homes Tax Credit.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 34 of public act 99-173 is repealed and the
2 following is substituted in lieu thereof:

3 As used in sections 34 to 37, inclusive, of [this act] public act 99-173,
4 the following terms shall have the following meanings unless the
5 context clearly indicates another meaning:

6 (1) "Commission" means the Connecticut Historical Commission
7 established under section 10-321 of the general statutes;

8 (2) "Historic home" means a building that: (A) Will contain [one-to-
9 four] one or more dwelling units, [of which at least one unit will be
10 occupied as the principal residence of the owner for not less than five
11 years following the completion of rehabilitation work,] (B) is located in
12 a targeted area, and (C) is (i) listed individually on the National or
13 State Register of Historic Places, or (ii) located in a district listed on the
14 National or State Register of Historic Places, and has been certified by
15 the commission as contributing to the historic character of such

16 district;

17 (3) "Nonprofit corporation" means a nonprofit corporation
18 incorporated pursuant to chapter 602 of the general statutes or any
19 predecessor statutes thereto, having as one of its purposes the
20 construction, rehabilitation, ownership or operation of housing and
21 having articles of incorporation approved by the Commissioner of
22 Economic and Community Development in accordance with
23 regulations adopted pursuant to section 8-79a or 8-84 of the general
24 statutes;

25 (4) "Owner" means any taxpayer filing a state of Connecticut tax
26 return who possesses title to an historic home, or prospective title to an
27 historic home in the form of a purchase agreement or option to
28 purchase, or a nonprofit corporation that possesses such title or
29 prospective title;

30 (5) "Targeted area" means: (A) A federally designated "qualified
31 census tract" in which seventy per cent or more of the families have a
32 median income of eighty per cent or less of the state-wide median
33 family income, (B) a state designated and federally approved area of
34 chronic economic distress, or (C) an urban and regional center as
35 identified in the Connecticut Conservation and Development Policies
36 Plan;

37 (6) "Qualified rehabilitation expenditures" means any costs incurred
38 for the physical construction involved in the rehabilitation of an
39 historic home, but excludes: (A) The owner's personal labor, (B) the
40 cost of site improvements, unless to provide building access to persons
41 with disabilities, (C) the cost of a new addition, except as may be
42 required to comply with any provision of the State Building Code or
43 the State Fire Safety Code, (D) any cost associated with the
44 rehabilitation of an outbuilding, unless such building contributes to
45 the historical significance of the historic home, and (E) any
46 nonconstruction cost such as architectural fees, legal fees and financing
47 fees; and

48 (7) "Rehabilitation plan" means any construction plans and
49 specifications for the proposed rehabilitation of an historic home in
50 sufficient detail to enable the commission to evaluate compliance with
51 the standards developed under the provisions of section 35 of [this act]
52 public act 99-173. [; and]

53 [(8) "Occupancy period" means a period of five years during which
54 one or more owners occupy an historic home as their primary
55 residence. The occupancy period begins on the date the tax credit
56 voucher is issued by the commission.]

57 Sec. 2. Section 36 of public act 173 is repealed and the following is
58 substituted in lieu thereof:

59 (a) Prior to beginning any rehabilitation work on an historic home,
60 the owner shall submit a rehabilitation plan to the commission for a
61 determination of whether such rehabilitation work meets the
62 standards developed under the provisions of section 35 of [this act]
63 public act 99-173 and shall also submit to the commission an estimate
64 of the qualified rehabilitation expenditures.

65 (b) If the commission certifies that the rehabilitation plan conforms
66 to the standards developed under the provisions of section 35 of [this
67 act] public act 99-173, the commission shall reserve for the benefit of
68 the owner an allocation for a tax credit equivalent to thirty per cent of
69 the projected qualified rehabilitation expenditures.

70 (c) Following the completion of rehabilitation of an historic home,
71 the owner shall notify the commission that such rehabilitation has been
72 completed. The owner shall provide the commission with
73 documentation of work performed on the historic home and shall
74 certify the cost incurred in rehabilitating the home. The commission
75 shall review such rehabilitation and verify its compliance with the
76 rehabilitation plan. Following such verification, the commission shall
77 issue a tax credit voucher to either the owner rehabilitating the historic
78 home or to the taxpayer named by the owner as contributing to the

79 rehabilitation. The tax credit voucher shall be in an amount equivalent
80 to the lesser of the tax credit reserved upon certification of the
81 rehabilitation plan under the provisions of subsection (b) of this
82 section or thirty per cent of the actual qualified rehabilitation
83 expenditures. In order to obtain a credit against any state tax due that
84 is specified in section 37 of [this act] public act 99-173, as amended by
85 section 3 of this act, the holder of the tax credit voucher shall file the
86 voucher with the holder's state tax return.

87 [(d) Before the commission issues a tax credit voucher, the owner
88 shall deliver a signed statement to the commission which provides
89 that: (1) The owner shall occupy the historic home as the owner's
90 primary residence during the occupancy period, or (2) the owner shall
91 convey the historic home to a new owner who will occupy it as the
92 new owner's primary residence during the occupancy period, or (3) an
93 encumbrance shall be recorded, in favor of the local, state or federal
94 government or other funding source, that will require the owner or the
95 owner's successors to occupy the historic home as the primary
96 residence of the owner or the owner's successors for a period equal to
97 or longer than the occupancy period. A copy of any such encumbrance
98 shall be attached to the signed statement.]

99 [(e)] (d) The owner of an historic home shall not be eligible for a tax
100 credit voucher under section 35 of [this act] public act 99-173, unless
101 the owner incurs qualified rehabilitation expenditures exceeding
102 twenty-five thousand dollars.

103 Sec. 3. Section 37 of public act 99-173 is repealed and the following is
104 substituted in lieu thereof:

105 (a) The Commissioner of Revenue Services shall grant a tax credit to
106 a taxpayer holding the tax credit voucher issued under section 36 of
107 [this act] public act 99-173, as amended by section 2 of this act, against
108 any tax due under chapter 207, 208, 209, 210, 211 or 212 of the general
109 statutes, as amended, in the amount specified in the tax credit voucher.
110 Such taxpayer shall submit the voucher and the corresponding tax

111 return to the Department of Revenue Services.

112 [(b) In no event shall a credit allowed under sections 34 to 37,
113 inclusive, of this act, exceed thirty thousand dollars per dwelling unit
114 for an historic home.]

115 [(c)] (b) The tax credit issued under subsection (a) of this section
116 shall be taken by the holder of the tax credit voucher in the same tax
117 year in which the voucher is issued. Any unused portion of such credit
118 may be carried forward to any or all of the four taxable years following
119 the year in which the tax credit voucher is issued.

120 [(d)] (c) The aggregate amount of all tax credits which may be
121 reserved by the commission upon certification of rehabilitation plans
122 under section 35 of [this act] public act 99-173, shall not exceed three
123 million dollars in any one fiscal year.

Statement of Purpose:

To amend the Historic Homes Tax Credit Program, by eliminating (1) the limit on the number of dwelling units in an eligible home, (2) the maximum tax credit allowed per unit, and (3) the requirement of owner occupancy.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]